

Mr. Speaker, an important step was taken last week in our efforts to assure that America's schools and libraries share in the full power of the Internet. The Federal Communications Commission made its E-rate decision on Friday June 12. To their great credit the commissioners withstood tremendous pressure to end the program and decided to continue funding the discounted rate, the E-rate, but at a reduced level from what was anticipated. The new funding level is an almost 50 percent reduction from what schools and libraries anticipated and planned for based on what the Congress had previously decided.

Organizations from around the country are understandably disappointed. Thirty thousand schools and libraries took Congress at its word and submitted significant effort through their applications to the FCC. But in fairness I think the FCC did the best it could with this difficult situation.

There are several reasons why the political climate has become so charged. Yes, there is considerable confusion, but the solution is clearly not to end or put a hold on the program. We must recognize that much of this controversy is manufactured based on misunderstanding.

It is a misunderstanding about the origin of the program. It did not come from the FCC, it was not an invention of the Vice President, although he was clearly an advocate for Internet access to schools and libraries. This is an element that was part of the Telecommunications Act of 1996 passed by a Republican controlled Congress and supported with overwhelming bipartisan votes.

There is some confusion over whether adding subsidies into the telephone rate is actually a new idea. In fact it is not. The E-rate is simply an expansion of the existing universal service program which has been around for 60 years and which was an important tool to assure that rural America had telephone service at affordable rates.

There is some confusion as to the actual cost that is borne by the phone companies, although it is quite clear that as a result of the benefits of deregulation the phone companies have saved in the neighborhood of \$3 billion as a result of deregulation to date, far more than is contemplated by keeping Congress' commitment to our schools and libraries.

There appears to be some confusion over this surcharge on the telephone bills. Is this simply an effort to recoup some of the costs of the E-rate, or are they trying to layoff some of those costs that the phone companies have, in fact, borne since 1934?

There is confusion over what the E-rate can be used for. It is, in fact, very narrowly drafted to include only a few services, not new computers and the so-called goldplating.

There is even confusion on the part of some as to whether or not this program is needed. Well, the allegation is made that most of our schools are already hooked up to the Internet. This, of course, misses the point completely since those connections in the vast majority of cases are simply to an administrator, a principal's office. Fully three-quarters of our classrooms are yet to be hooked up to the Internet.

We in Congress need to make sure that we fulfill this commitment.

I agree that legislation may be needed, but that is why I have introduced a Truth in Billing Act, H.R. 4018, to have a GAO study to clarify exactly what the telephone companies have saved, how much has been passed on to consumers and what additional costs, if any, have resulted from the Telecommunications Act. We in Congress will provide that information to those who need it in order to make the informed decisions. And under my legislation companies that want to put extra line item charges on the telephone bills could do so, but they would also have to fully disclose all the savings that have resulted.

This is not a debate about over whether or not phone bills are going to go high, because in fact telephone bills are at their lowest point in history as a result of deregulation. What this debate is about is whether we as a Nation are going to meet the commitment we made to share the benefits of the deregulated telecommunication industry with the education system and our libraries and keep the commitment to those 30,000 schools and libraries.